



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 32 (ending 11/08/2017)

**"Well done is better than well said." – Benjamin Franklin**

**Irish consumer sentiment at strongest reading in 17 months** – The KBC Bank/ESRI Consumer Sentiment Index just released only rose marginally to 105.1 in July from 105.0 in June (99.6 in July 2016), but still the highest figure since February 2016. The most positive element of July survey was related to spending plans.

**Irish consumer spending in July up 2.5% on the year** – Visa's Irish Consumer Spending Index which measures expenditure across all payment types (cash, cheques and electronic payments) showed a 2.5% year-on-year increase in July with the hotels, restaurants and bars sector showing best with a 9.1% rise.

**Global stock market down 1.6% on the week** – The MSCI AC World TR Index had a 1.6% fall from the 4th August to 11th August as tensions escalated higher between the United States and North Korea with their war of rhetoric. The CBOE Volatility Index (VIX) in turn jumped to 15.50 from 9.90 over the course of the week.

**UK's trade deficit largest in 9 months** – According to Office for National Statistics, the UK's trade deficit widened to £12.7 billion in June, up from £11.3 billion in May, which surprised economists as it shows that the Brexit weakening of sterling isn't boosting exports to extent expected. It was the biggest deficit in nine months.

**U.S. rate rise less likely with weak inflation data for July** – According to the latest report from the Bureau of Labor Statistics, the consumer price index rose just 0.1% in July after an even lower 0% rise in June, with inflation in the last year of 1.7% compared to 2% target so markets see less chance of another rate hike by the end of the year.

**Chinese trade growth in July falls short of forecasts** – China's international trade continued growing in July but less than analysts polled by Reuters had forecast. Exports increased 7.2% year-on-year in dollar terms (11.2% yuan), compared to expectations of 10.9%, while imports climbed 11%, less than the expected 16.6%.

**The Story of the week:** A 100-year-old fruit cake has been found in a long-abandoned hut in Antarctica and those who discovered it think it looks nearly as fresh as the day it was made. Although the tin containing the cake was rusted and falling apart, the cake inside "looked and smelt (almost) edible" according to Lizzie Meek of the Antarctic Heritage Trust. The cake is believed to belong to Robert Falcon Scott's ill-fated British Antarctic Expedition of 1910/1913 to be the first to attain the South Pole which they did reach on 17 January 1912, but where they found that a Norwegian team led by Roald Amundsen had preceded them by 34 days. Tragically Scott's entire party died on the return journey. Some of their bodies, journals, and photographs were found by a search party eight months later.

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# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD (to 11/08)</b>
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	10.2
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	1.9
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	5.4
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	5.8
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	10.4
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	16.2
Nikkei 225	22.9	56.7	7.1	9.1	0.4	3.2
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	16.9
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.0
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
U.S.	1.7	3.0	2.2	2.2	2.4	2.2
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.1
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	0.7
Italy	4.6	4.1	2.1	1.6	1.8	2.0
Greece	12.7	8.2	9.6	7.9	7.1	5.6
Portugal	6.9	6.1	2.7	2.5	3.8	2.8
Spain	5.4	4.1	1.6	1.7	1.4	1.5
<b>Central Bank Rates (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
<b>Foreign Exchange Rates</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.18
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.91
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.30
<b>IPD All Property Return % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Ireland	3.1	12.7	40.1	25.0	12.8	4.1% (to end of Q2)
U.K.	2.7	10.7	17.8	13.1	3.6	4.8% (to end of Q2)
U.S.	5.3	11.4	11.2	12.1	7.8	1.6% (to end of Q1)

\*Past performance is not a reliable guide to future performance